

AFFORDABLE HOUSING TASK FORCE
COMMITTEE 4- RENTERS, HOMEOWNERS, AND PRESERVATION

COMMITTEE MEMBERS:

ROBERT GRISWOLD, CHAIR
DONALD COHEN
CHUCK HOFFMAN
BOB KEVANE
RICHARD LAWRENCE
FATHER HENRY RODRIGUEZ

SUMMARY OF RECOMMENDATIONS:

- Increase capacity of Neighborhood Code Compliance and City Attorney's office to address code compliance issues through an increase in resources.
- Ensure that fees assessed by Neighborhood Code Compliance represent full cost recovery and that penalties assessed by Neighborhood Code Compliance and City Attorney's office act as a deterrent for repeat offenders.
- Amendment to the existing Single Room Occupancy Hotel Preservation Ordinance and investigation of improved regulatory environment to construct new SRO rooms.
- Develop Condo Conversion regulations.
- Create "Downtown Housing District".
- Support legislative efforts associated with credit reporting and demolition of housing due to school construction.
- Develop Good Cause Termination of Tenancy Ordinance
- Develop Just Cause Eviction Ordinance
- Create a "Renter/Landlord Resource Center" which would act central organization for information, education, mediation, and training for renters and landlords.

CODE ENFORCEMENT & CITY ATTORNEY'S OFFICE

- Responsive code enforcement on substandard multi-family housing with adequate resources to ensure that all serious complaints are field investigated within 72 hours, including proactive code enforcement in certain communities based on their observation of high concentrations of noted violations
- Make reports available to residents in timely fashion
- Dedicated code officers for substandard multi-family housing with regular inspections of aging buildings.
- Give the City Attorney's office sufficient resources to aggressively pursue repeat violators of code enforcement laws
- Educate landlords and tenants by distributing information in utility bills for renters, Business license tax bills for landlords/resident managers/property managers, and in Notice of Code Violations.

Currently, code enforcement is complaint-driven. Code enforcement capacity should be expanded to allow for more responsive efforts than are currently possible and with code enforcement dedicated solely to investigate complaints of sub-standard rental housing. This would enable an aggressive campaign against the worst landlords with the support of the City Attorney's office.

Code enforcement capacity should be expanded to allow for proactive and aggressive efforts. The department should be expanded, with code officers dedicated solely to sub-standard housing. Enable an aggressive campaign against the worst landlords to be mounted, with the support of the City Attorney's office. The City Attorney's office should be empowered/required to prosecute property managers and property owners who fail to meet health and safety requirements. Further, the City Attorney could implement punitive mechanisms to include mandatory property management and building maintenance training for repeat offenders and even require appointed third-party property managers for the worst cases.

Fiscal Implications:

The original Rental Business Tax was calculated by an assessment of the cost that the city would incur if regularly inspecting all rental units. When this tax was diverted into the General Fund, Code Enforcement lost its capacity to proactively inspect the rental market.

Staffing Implications:

Neighborhood Code Compliance should be given an addition 4 FTE's in order to mount a campaign against the most egregious slumlords and then reevaluate yearly.

The City Attorney's Office should receive sufficient funding for 2 full-time attorneys and 2 investigative positions.

(Approved by the Committee 6-0)

Code Violation Penalties

Neighborhood Code Compliance would increase fees for repeated inspection of rental properties where violations had not been corrected or in the case of multiple different violations within a defined period of time. Code Enforcement would charge the property owners for all related costs associated with the inspection of the rental property and assess an additional punitive fee. In addition, the City could mandate that outside property managers be hired to handle the property in question.

Fiscal Implications:

Additional staff would be needed to effectively pursue the assessment of penalties; however, additional staffing would be cost recoverable.

(Committee vote, 6-0)

SINGLE ROOM OCCUPANCY HOTEL REGULATIONS

Amend the existing Preservation ordinance to require that SROs constructed prior to 1990 must do the following when proposing demolition or change of use:

- At least 6 months relocation assistance for tenants; and,
- One for one replacement of equivalently affordable units, replacement does not have to be in downtown; or,
- In-Lieu fee of 100% of the cost of replacement of the converted or demolished units.

Create a regulatory environment that gives incentive to construction of new housing serving SRO residents.

(Committee vote, 6-0)

CONDOMINIUM CONVERSION REGULATIONS

The following requirements should be applied to all unmapped (per State Map Act) condominium conversions:

- Apply 10% inclusionary housing requirements on condo conversions.
- Relocation assistance for seniors, disabled, and low-income households.
- Require compliance with the then current building codes at time of conversion.
- Downpayment assistance for tenants to encourage homeownership.

(Approved by the Committee 6-0)

DOWNTOWN HOUSING DISTRICT

The Downtown Housing District would create housing opportunities for the mixed-income, workforce and family housing. The District should be large enough to accommodate 2,000 new housing units affordable to households between 30%AMI and 150%AMI.

The district should be located in downtown San Diego and should be made up of a mix of construction types with the emphasis on 5-story wood frame construction. Using wood frame construction on an average city block of 60,000 SF could potentially yield between 150 and 225 per block. Approximately 10 blocks would be necessary to meet the goal of producing 2,000 units. The blocks could be contiguous or separate.

Fiscal Implications:

City should issue an affordable housing bond to finance the costs of acquisition and construction.

Location of the Housing District:

The City should utilize publicly owned land to serve as anchor sites for the district and should use redevelopment powers of eminent domain to acquire and assemble sufficient land to meet the goal of constructing 2,000 units. Potential area of focus should be on the southern end of downtown approximately between 10th and 16th and Harbor and Market.

(Approved by the Committee 6-0)

LEGISLATIVE EFFORTS

Council should direct legislative staff to pursue and/or support the following issues:

Credit Reporting

Pursue legislation that would require credit reporting agencies make copies of a tenant credit reports available to landlords for a specified amount of time, to eliminate the duplication of credit report charges.

Pursue legislation that would prevent “unlawful detainer” labels on tenant credit reports when the eviction case has been dismissed. This would prevent an erroneous opinion that they are renters that the apartment industry would not want to rent to.

School Construction

Pursue State legislation that would require the School District to replace the housing that is demolished to make way for the construction of new schools.

(Approved by the Committee 6-0)

GOOD CAUSE TERMINATION OF TENANCY ORDINANCE

Good cause eviction controls protect renters by ensuring that landlords cannot arbitrarily terminate tenancies. The committee proposes a Good Cause Termination of Tenancy ordinance for all residents whose tenancy period exceeds 12 months with the following proposed language:

"To terminate any periodic tenancy of at least one year in duration pursuant to California Civil Code § 1946, the lessor must serve, pursuant to California Code of Civil Procedure § 1162 or California Civil Code § 1946, a written notice stating good grounds upon which the lessor, in good faith, seeks to recover possession. If such statement of good grounds be controverted, the lessor shall establish its truth at the trial or other hearing."

While the controls provide protections for renters, landlords retain the right to terminate a tenancy for any reason which is not "bad faith" or for unlawful intentions or reasons. Renters will also benefit by knowing in writing the reasons that the landlord is seeking to terminate the tenancy so that they can begin a dialogue to resolve any issues short of actually vacating or at least learn the reasons so that they can ensure the same issues do not occur again.

The Renter/Landlord Resource Center could begin to publicize the new ordinance. Landlords could give renters information upon move-in.

(Committee vote 3-2, Cohen absent. Note: Griswold prefers the ordinance apply after a 2-year tenancy period as he feels that landlords would not offer a 12-month lease and/or be inclined to immediately terminate a tenancy for any minor problems that surface in the first 11 months to avoid being subject to this ordinance. This would lead to a lack of stability in the rental market and be detrimentally for both tenants and landlords. Whereas, tenants with the 2+ years in tenancy would have additional rights and thus would be inclined to remain tenants rather than change locations for the latest rental special or concession. The increased stability of a 2-year tenancy would benefit both renters and landlords and their entire communities.)

JUST CAUSE EVICTION ORDINANCE

Just cause eviction controls are laws that provide renters the highest form of protection from eviction by specifying that a landlord can only evict for reasons that have been previously determined by local regulation. Typically jurisdictions determine a list of explicit reasons that are justification for eviction, such as a tenant's failure to pay rent or destruction of property. While the laws provide protections for renters, landlords retain the full right to evict a tenant for breach of rental contract.

The Renter/Landlord Resource Center could begin to publicize the new ordinance. Landlords could give renters information upon move-in.

(Committee vote 3-3)

RENTER/LANDLORD RESOURCE CENTER

The Center could be an independent contracted third party or part of the City. The organization would have the following responsibilities:

- Collect and document information on extent of problem.
- Provide information and referral services through neighborhood based housing counselors.
- Provide mediation services
- Provide training and certification of property managers
- Coordinate with the City Attorney's office, police, and code enforcement to identify and target the worst code violators for prosecution

Fiscal Implications:

The program should be funded by the existing Rental Business Tax, which is currently deposited in the General Fund. The funding would be for the Center would include additional dedicated staff (sub standard housing code officers as outlined below), additional city attorney staffing, and mediation services.

Staffing Needs:

In year 1, 5 FTE positions: 1 Coordinator and 4 Neighborhood based Tenant/Landlord Counselors. The counselors would rotate through the city council districts with particular focus on the areas of most need: San Ysidro, Linda Vista, Sherman Heights, Southcrest, and other areas with a concentration of sub standard housing.

(Committee vote, 3-3)